

SENATE BILL 2506

By Tate

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to the operation of insurance companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 3, Part 6, is amended by deleting the part in its entirety.

SECTION 2. Tennessee Code Annotated, Section 56-7-109 (b)(4), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(4) Any health insurance entity that does not comply with subdivision (b)(1) shall pay one percent (1%) interest per month, accruing from the day after the payment was due, on that amount of the claim that remains unpaid. The penalty shall not apply to plans while enrollees are subject to a grace period of ninety (90) days unless claims are rendered within the first thirty (30) days of the grace period.

SECTION 3. Tennessee Code Annotated, Section 56-7-2209(h), is amended by deleting the subsection in its entirety.

SECTION 4. Tennessee Code Annotated, Section 56-7-2312, is amended by adding the following language as a new subsection:

(e) This section shall not apply if available individual policies are guaranteed issue.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.